

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
(Company No. 297089 M)
(Incorporated in Malaysia)
UNAUDITED BALANCE SHEET AT 30 SEPTEMBER 2007**

Group and Bank

| | | Sep 2007 RM'000 | Dec 2006 RM'000 |
|--|-----|--------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and short term funds | (a) | 129 | 194 |
| Deposits and placements with banks and other financial institutions | (b) | 26,000 | 821,000 |
| Securities held for trading | (c) | 164,539 | 49,371 |
| Securities available-for-sale | (d) | 470,757 | 629,773 |
| Securities held-to-maturity | (e) | - | - |
| Financing, advances and other loans | (f) | 149,369 | 203,908 |
| Deferred tax assets | | 4,350 | 3,701 |
| Other assets | (h) | 77,147 | 54,859 |
| TOTAL ASSETS | | <u>892,292</u> | <u>1,762,806</u> |
| LIABILITIES AND SHAREHOLDERS' FUNDS | | | |
| Deposits from customers | (i) | 650,824 | 447,846 |
| Deposits and placements of banks and other financial institutions | (j) | 3,078 | 354,065 |
| Deffered Tax liabilities | | - | - |
| Other liabilities | (k) | 134,842 | 870,043 |
| TOTAL LIABILITIES | | <u>788,744</u> | <u>1,671,954</u> |
| Islamic banking funds | (m) | 103,548 | 90,852 |
| SHAREHOLDERS' FUNDS | | <u>103,548</u> | <u>90,852</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | <u>892,292</u> | <u>1,762,806</u> |

**CITIBANK BERHAD
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ISLAMIC BANKING OPERATION
(Company No. 297089 M)
(Incorporated in Malaysia)**

**UNAUDITED INCOME STATEMENTS OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD 9 MONTHS ENDED 30 SEPTEMBER 2007**

| | | Group and Bank | |
|--|-----|--------------------------------|--------------------------------|
| | | Sep 2007 RM'000 | Sep 2006 RM'000 |
| Income derived from investments of depositors' funds and others | (n) | 20,159 | 19,604 |
| Transfer from / (to) profit equalisation reserve | | <u>4,400</u> 24,559 | <u>(1,565)</u> 18,039 |
| Allowances for losses on financing | (o) | 934 | (655) |
| | | <u>25,493</u> | <u>17,384</u> |
| Other operating expenses | (p) | (2,854) | (407) |
| Profit Before Taxation | | <u>22,639</u> | <u>16,977</u> |
| Taxation | | (4,671) | (5,580) |
| Profit after taxation | | <u><u>17,968</u></u> | <u><u>11,397</u></u> |

**CITIBANK BERHAD
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ISLAMIC BANKING OPERATION
(Company No. 297089)
(Incorporated in Malaysia)**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

| | Group and Bank | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|-------------------------|
| | Capital Funds RM'000 | Other Reserve RM'000 | Profit RM'000 | Total RM'000 |
| At 1 January 2006 | 20,000 | 312 | 38,694 | 59,006 |
| Profit after taxation | - | - | 28,117 | 28,117 |
| Unrealised net gain/loss on revaluation of securities available for sale | - | 3,729 | - | 3,729 |
| At 31 December 2006 | <u>20,000</u> | <u>4,041</u> | <u>66,811</u> | <u>90,852</u> |
| At 1 January 2007 | 20,000 | 4,041 | 66,811 | 90,852 |
| Profit after taxation | - | - | 17,968 | 17,968 |
| Unrealised net gain/loss on revaluation of securities available for sale | - | (5,272) | - | (5,272) |
| At 30 September 2007 | <u>20,000</u> | <u>(1,231)</u> | <u>84,779</u> | <u>103,548</u> |

**CITIBANK BERHAD
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Company No. 297089 M**

(a) Cash and short term funds

| | Group and Bank | |
|--|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Cash and balances with banks and other financial institutions | 129 | 12 |
| Money at call and deposit placements maturing within one month | - | 182 |
| | <u>129</u> | <u>194</u> |

(b) Deposits and placements with banks and other financial institutions

| | Group and Bank | |
|----------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Bank Negara Malaysia | <u>26,000</u> | <u>821,000</u> |

(c) Securities held for trading

| | Group and Bank | |
|---------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| At fair value | | |
| BNM Bills | <u>164,539</u> | <u>49,371</u> |

**CITIBANK BERHAD
AND ITS SUBSIDIARIES
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(d) Securities available for sale

| | Group and Bank | |
|---|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| At fair value | | |
| Malaysian Government Islamic Treasury Bills | - | 150,855 |
| Malaysian Government Investment Issues | 274,413 | 147,018 |
| Islamic Cagamas Bonds | - | 149,845 |
| Islamic Khazanah Bonds | 196,345 | 126,243 |
| Islamic Private Debt Securities | - | 55,812 |
| | 470,757 | 629,773 |

(e) Securities held to maturity

| | Group and Bank | |
|-----------------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| At amortised cost | | |
| Negotiable Instruments of Deposit | - | - |

**CITIBANK BERHAD
AND ITS SUBSIDIARIES
Company No. 297089 M**

(f) Financing, Advances and other loans

(i) By type

| | Group and Bank | |
|--|-----------------------|---------------------|
| | Sep 2007 | Dec 2006 |
| | RM'000 | RM'000 |
| Term financing | | |
| -House financing | 160,825 | 143,017 |
| -Hire purchase receivables | 35,084 | 61,007 |
| -Lease receivables | 22,317 | 31,983 |
| -Other term financing | - | 51,529 |
| | <u>218,226</u> | <u>287,536</u> |
| Unearned income | (61,224) | (75,061) |
| | <u>157,002</u> | <u>212,475</u> |
| Allowance for bad and doubtful financing | | |
| - general | (2,275) | (3,099) |
| - specific | (5,358) | (5,468) |
| | <u>149,369</u> | <u>203,908</u> |

(ii) By contract

| | Group and Bank | |
|----------------------------|-----------------------|---------------------|
| | Sep 2007 | Dec 2006 |
| | RM'000 | RM'000 |
| Bai' Bithamin Ajil | 75,872 | 125,984 |
| Ijarah Muntahia Bittamilik | 57,401 | 86,491 |
| Diminishing Musharakah | 23,729 | - |
| | <u>157,002</u> | <u>212,475</u> |

(iii) By type of customer

| | Group and Bank | |
|-------------------------------|-----------------------|---------------------|
| | Sep 2007 | Dec 2006 |
| | RM'000 | RM'000 |
| Domestic business enterprises | | |
| -Small and medium enterprises | 27,207 | 42,626 |
| -Others | 30,193 | 95,395 |
| Individuals | 99,602 | 74,454 |
| | <u>157,002</u> | <u>212,475</u> |

CITIBANK BERHAD
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(f) Financing, Advances and other loans (continued)

(iv) By profit rate sensitivity

| | Group and Bank | |
|----------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Fixed rate | | |
| -House financing | 99,601 | 74,454 |
| -Hire purchase receivables | 35,084 | 57,538 |
| -Lease receivables | 22,317 | 80,483 |
| | <u>157,002</u> | <u>212,475</u> |

(v) By sector

| | Group and Bank | |
|--|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Mining & quarrying | 271 | 798 |
| Manufacturing(incl agro-based) | 28,673 | 49,225 |
| Electricity, gas, water | - | - |
| Construction | - | - |
| Wholesale, retail trade, restaurants, hotels | 2,305 | 3,181 |
| Transport, storage & communication | 21,195 | 78,730 |
| Fin, insurance, real estate & bussiness services | 4,956 | 6,087 |
| Education,health & others | - | - |
| Household | 99,602 | 74,454 |
| | <u>157,002</u> | <u>212,475</u> |

(vi) By purpose

| | Group and Bank | |
|---|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Purchase of landed property | 99,602 | 74,454 |
| Purchase fixed assets ex. land & building | 57,400 | 86,491 |
| Working capital | - | 51,530 |
| | <u>157,002</u> | <u>212,475</u> |

**CITIBANK BERHAD
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(g) Non-performing loans (NPL)

(i) Movements in non-performing loans, financing, advances and other loans are as follows :-

| | Group and Bank | |
|--|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| At 1 January | 6,605 | 6,301 |
| Classified as non-performing during the year | 4,615 | 304 |
| Amount recovered | (1,359) | - |
| | 9,861 | 6,605 |
| At 30 September / 31 December | 9,861 | 6,605 |
| Specific allowance | (5,358) | (5,468) |
| | 4,503 | 1,137 |
| Net non performing financing, advances and other loans | | |
| Ratio of net non-performing financing and other loans to total net financing and other loans | 2.91% | 0.54% |

(ii) Movements in allowance for bad and doubtful financing are as follows:-

| | Group and Bank | |
|---|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| <u>General allowance</u> | | |
| At 1 January | 3,099 | 3,169 |
| (Written back)/Allowance made during the year | (824) | (70) |
| | 2,275 | 3,099 |
| At 30 September / 31 December | 2,275 | 3,099 |
| As % of total financing less specific allowance | 1.5% | 1.5% |

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(g) Non-performing loans (NPL) (continued)

(ii) Movements in allowance for bad and doubtful financing are as follows (continued):-

| | Group and Bank | |
|--------------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| <u>Specific allowance</u> | | |
| At 1 January | 5,468 | 5,256 |
| Allowance made during the year | 6 | 214 |
| Amount written back | (116) | (2) |
| | <hr/> | <hr/> |
| At 30 September / 31 December | <u>5,358</u> | <u>5,468</u> |

(iii) Non performing financing by sector

| | Group and Bank | |
|--|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Manufacturing | 3,870 | 4,632 |
| Hotel | 630 | 438 |
| Transport, storage and communication | 2,870 | 500 |
| Finance, insurance and business services | 2,044 | 1,035 |
| Household | | |
| - Residential | 447 | - |
| | <hr/> | <hr/> |
| | <u>9,861</u> | <u>6,605</u> |

(h) Other assets

| | Group and Bank | |
|---|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Interest/Income receivable | 463 | 6,193 |
| Other debtors, deposits and prepayments | 15,525 | 7,460 |
| Derivatives | 61,158 | 41,206 |
| | <hr/> | <hr/> |
| | <u>77,147</u> | <u>54,859</u> |

**CITIBANK BERHAD
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(i) Deposits from customers

(i) By type of deposit

| | Group and Bank | |
|-----------------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Demand deposits | 68,699 | 299,437 |
| Saving deposits | 83,159 | 8,275 |
| Mudharabah fund | 498,966 | 107,734 |
| Negotiable Instruments of Deposit | - | 32,400 |
| | <hr/> | <hr/> |
| | 650,824 | 447,846 |
| | <hr/> <hr/> | <hr/> <hr/> |

(ii) By type of customers

| | Group and Bank | |
|----------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Business enterprises | 551,692 | 410,059 |
| Individuals | 99,132 | 37,787 |
| | <hr/> | <hr/> |
| | 650,824 | 447,846 |
| | <hr/> <hr/> | <hr/> <hr/> |

**CITIBANK BERHAD
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(j) Deposits and placements of banks and other financial institutions

| | Group and Bank | |
|----------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Licensed banks | - | 248,910 |
| Licensed finance companies | - | 100,000 |
| Bank Negara Malaysia | 3,078 | 5,155 |
| | <u>3,078</u> | <u>354,065</u> |

(k) Other liabilities

| | Group and Bank | |
|------------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Interest/Profit payable | 346 | 605 |
| Other creditors and accruals | 105,793 | 852,973 |
| Profit Equalisation Reserve | 11,901 | 16,302 |
| Taxation | - | 163 |
| Derivatives | 16,802 | - |
| | <u>134,842</u> | <u>870,043</u> |

**CITIBANK BERHAD
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(l) Profit equalisation reserve

The movement in profit equalisation reserve are as follows:

| | Group and Bank | |
|--------------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| At 1 January | 16,302 | 7,131 |
| Provided in the financial year | (4,400) | 9,171 |
| | 11,902 | 16,302 |
| At 30 September / 31 December | 11,902 | 16,302 |

(m) Islamic Banking Fund

| | Group and Bank | |
|-------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Fund allocated | 20,000 | 20,000 |
| Other Reserve | (1,231) | 4,041 |
| Retained profit | 84,779 | 66,811 |
| Proposed Dividend | - | - |
| | 103,548 | 90,852 |
| | 103,548 | 90,852 |

**CITIBANK BERHAD
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(Company No. 297089 M)**

(n) Income derived from investment of depositors' funds and others

| | Group and Bank | |
|-------------------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Sep 2006 RM'000 |
| Income derived from funds allocated | 32,497 | 36,110 |
| Income attributable to depositors | (12,338) | (16,506) |
| | <u>20,159</u> | <u>19,604</u> |

(i) Income derived from funds allocated are as follows:

| | Group and Bank | |
|--|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Sep 2006 RM'000 |
| Financing, advances and other loans | 7,928 | 8,959 |
| Money at call and placements | 11,834 | 3,643 |
| Income from securities available for sale | 10,694 | 17,654 |
| Income from securities available held to maturity | - | 1,376 |
| Unrealised gain /(loss) from securities held for trading | 38 | 34 |
| Realised gain/(loss) from securities held for trading | (55) | 4 |
| Realised gain from securities available for sale | 4,152 | 4,337 |
| Income from trading derivatives | (2,256) | - |
| Fee income | 163 | 103 |
| | <u>32,497</u> | <u>36,110</u> |

(ii) Income attributable to depositors are as follows:

| | Group and Bank | |
|--|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Sep 2006 RM'000 |
| Deposits from customers | 10,980 | 9,332 |
| Deposits and placements of banks and other financial institutions | 1,065 | 6,901 |
| Others | 294 | 273 |
| | <u>12,338</u> | <u>16,506</u> |

**CITIBANK BERHAD
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(Company No. 297089 M)**

(o) Allowances for loss on financing

| | Group and Bank | |
|--|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Sep 2006 RM'000 |
| Allowance for bad and doubtful debts and financing:- | | |
| Specific allowance | | |
| - made in the financial year | 6 | 237 |
| - written back | (116) | - |
| General allowance | | |
| - (written back)/made during the year | (824) | 418 |
| | <u>(934)</u> | <u>655</u> |

(p) Other operating expenses

| | Group and Bank | |
|-------------------------------------|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Sep 2006 RM'000 |
| Personnel costs | 361 | 175 |
| Establishment costs | 49 | 55 |
| Marketing expenses | 3 | 2 |
| Administration and general expenses | 2,442 | 175 |
| | <u>2,854</u> | <u>407</u> |

**CITIBANK BERHAD
AND ITS SUBSIDIARIES
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(r) Capital adequacy

The capital adequacy ratios of the Bank are as follows:-

| | Bank | |
|--|--------------------------------|--------------------------------|
| | Sep 2007 RM'000 | Dec 2006 RM'000 |
| Tier 1 capital | | |
| Paid-up share capital | 20,000 | 20,000 |
| Retained profits | 66,811 | 66,811 |
| Other reserves | 4,041 | 4,041 |
| Total Tier-I capital | <u>90,852</u> | <u>90,852</u> |
| Tier-II capital | | |
| General allowance for bad and doubtful debts and financing | 3,099 | 3,099 |
| Total capital | <u>93,951</u> | <u>93,951</u> |
| Less: Investments in subsidiaries | - | - |
| Capital base | <u>93,951</u> | <u>93,951</u> |
| Core capital ratio | 30.10% | 26.01% |
| Risk weighted capital ratio | 31.12% | 26.90% |

Breakdown of gross risk-weighted assets in the various categories of risk-weights:-

| | Bank | | | |
|--|--|--|--|--|
| | Sep 2007 Principal RM'000 | Sep 2007 Risk weighted RM'000 | Dec 2006 Principal RM'000 | Dec 2006 Risk weighted RM'000 |
| 0% | 661,426 | - | 1,289,514 | - |
| 10% | - | - | - | - |
| 20% | - | - | 99,925 | 19,985 |
| 50% | 205,119 | 102,560 | 74,454 | 37,227 |
| 100% | 199,318 | 199,318 | 292,087 | 292,087 |
| Total credit risk weighted assets | <u>1,065,863</u> | <u>301,878</u> | <u>1,755,980</u> | <u>349,300</u> |
| Total Risk Weighted Assets | | <u>301,878</u> | | <u>349,300</u> |